

## ADMINISTRATIVE AGREEMENT

October ~~18~~<sup>20</sup>, 2009 ~~SA~~

This Administrative Agreement ("Agreement"), dated the ~~18~~<sup>20</sup> day of October 2009, is made between LRG Corporation ("LRG" or "the company") and the United States Department of the Air Force. As used herein, LRG means LRG Corporation and all of its operating sectors, groups, divisions, units and wholly-owned subsidiaries, including those acquired or established during the term of this Agreement.

### PREAMBLE

1. LRG is a Pennsylvania corporation engaged in manufacturing for military and civilian uses.
2. On November 20, 2008, LRG, Lewis R. Gainfort, Vickie Gaudi, and Deneen Marsolo (formerly Sarocky) (collectively, "the Respondents") were proposed for debarment from Government contracting and Government-approved subcontracting and from directly or indirectly receiving the benefits of federal assistance programs, pursuant to the procedures contained in the Federal Acquisition Regulation ("FAR") Subpart 9.4 and the Department of Defense FAR Supplement (DFARS) Subpart 209.4. The action was based on three LRG contracts that had been terminated for default, and on a false certification made by LRG on the United States Government's On-Line Representations and Certifications Application. For purposes of the action, LRG's misconduct was imputed to Mr. Gainfort, Ms. Gaudi, and Ms. Marsolo, and all of the Respondents were considered to be affiliates of each other.
3. After considering the Respondents' submissions in response to the proposed debarment, the Air Force debarred the Respondents for a period of 18 months, effective from November 20, 2008, the date of the proposed debarment, to May 19, 2010.
4. The Respondents have expressed interest in demonstrating that, notwithstanding the bases for the debarment, the Respondents can be trusted to deal fairly and honestly with the Government and that suspending or debarring the Respondents from future Government contracting is not a necessary protection in this case. LRG has agreed to keep in place its business ethics program, which was voluntarily adopted prior to the date of this Agreement, and to take other actions as specified herein to assure that LRG possesses the high degree of business honesty and integrity required of a Government contractor.
5. The Air Force and the Respondents agree that FAR 9.406 provides a cause to debar the Respondents. The Air Force has further determined, however, that based upon information currently known to the Air Force, LRG's corrective actions reflected in the terms and conditions of this Agreement provide adequate assurance that LRG's future dealings with the Government, if any, will be conducted responsibly, and that debarment of the Respondents is not necessary at this time to protect the Government's interests. The parties, therefore, agree to the terms and conditions set out below.

## ARTICLES

1. **PERIOD.** The period of this Agreement shall be three years from the date the Agreement is signed by the Air Force, or, if the Air Force determines at any time during such three year period that LRG has ceased to be in full compliance with the letter and spirit of this Agreement, for a period of three years following reestablishment of full compliance as determined by the Air Force.

2. **EMPLOYEES.** The word employee(s) in this Agreement includes company officers, permanent, temporary, and contract employees, full-time and part-time employees, consultants, and members of the Board of Directors.

3. **SELF-GOVERNANCE PROGRAMS.** LRG has implemented and agrees to maintain a self-governance program that includes a business ethics program that covers all employees. The business ethics program shall be maintained so as to ensure that LRG and each of its employees maintains the business honesty and integrity required of a Government contractor and that LRG operates in strict compliance with all applicable laws, regulations, and the terms of any contract. LRG represents that the business ethics program includes the following components:

a. **CENTRAL, HIGH-LEVEL PROGRAM MANAGEMENT.** LRG has designated Geary Walker, LRG's Senior Project Engineer, to be the LRG Compliance Officer. The Compliance Officer is responsible for managing all aspects of LRG's compliance program.

b. **CODE OF BUSINESS ETHICS.** A written Compliance Plan for LRG Corporation and the LRG Corporation Code of Ethics/Standards of Conduct (collectively referred to as "the Code" or the "Code of Business Ethics") have been adopted by LRG. See exhibits 1-3 to this Agreement. The Code of Business Ethics has been circulated to each employee of LRG. After reading the Code, each current employee has been instructed to sign, in a register to be maintained by LRG and open to inspection by the Air Force, that he or she has read and understood the Code. Thereafter, at least once in each calendar year, each then-current employee shall repeat the procedure of reading the Code and signing the register. As referenced in Article 6, the Code also includes a certification that must be signed annually. In addition, within 10 days of starting employment with LRG, new employees shall attend a training program, not less than one hour in length, administered by the Compliance Officer, during which the terms and conditions of the Code of Business Ethics will be reviewed, and thereafter each new employee shall be required to read the Code and sign the register stating that he or she has read and understood the Code.

c. **INFORMATION AND EDUCATION PROGRAM.** In addition to the program for new employees detailed in subparagraph b, LRG has instituted and shall maintain an information and education program designed to assure that all employees are aware of all applicable laws, regulations, and standards of business conduct that employees are expected to follow and the consequences both to the employee and to the company that will ensue from any violation of such measures. Training shall consist of compliance training for affected employees, plus at least one hour of live initial training in the LRG business ethics program for

every LRG employee, plus, each year for each then-current employee, not less than one additional hour of live ethics training to be conducted by the LRG management.

**d. LANGUAGES.** All written materials and training related to the business ethics program will be provided in English and in any other language necessary to assure that each employee understands all elements of any written or oral presentation.

**e. REPORTING AND INFORMATION RESOURCES.** LRG has posted in prominent places accessible to each of its employees a notice giving the telephone numbers of LRG's Compliance Officer and inviting confidential calls and/or reports of suspected misconduct, and stating the company's commitment to comply with all applicable laws and regulations in the conduct of its business. A copy of the notice is Exhibit 4 to this Agreement. LRG also has posted in common work areas a "Hotline" poster prepared by the Inspector General of the Department of Defense providing phone numbers to report fraud, waste, abuse, and/or security violations.

**4. PREFERRED SUPPLIER PROGRAM.** LRG shall institute a Preferred Supplier Program within 120 days of the effective date of this Agreement. The program shall be designed so as to in some manner reward its suppliers and subcontractors that have instituted and maintain compliance and values based ethics programs.

**5. PERFORMANCE STANDARDS.** Promotion of and adherence to the LRG Code of Business Ethics is an element of each manager and supervisor's written performance standards and each manager and supervisor is appraised annually in writing on his or her adherence to and promotion of LRG's business ethics program. LRG will submit, as a part of each report to the Air Force pursuant to Article 8, a statement by the Chief Executive Officer ("CEO") that each manager and supervisor has been appraised on his or her adherence to and promotion of LRG's Code of Business Ethics. Moreover, LRG shall exercise reasonable efforts not to include as a principal (including any manager or supervisor) any individual whom due diligence would have exposed as having engaged in conduct that is in conflict with LRG's Code of Business Ethics and to take appropriate action to remove any individual from a principal, management, or supervisory position who engages in such conduct.

**6. ETHICS CERTIFICATES.** Each employee of LRG will be subject to an annual certification requirement to attest that he or she (a) has attended a live training session concerning the content and application of the company's business ethics program; (b) understands that strict adherence to the law, the Code of Business Ethics, and the principles of the business ethics program is a condition of employment; and (c) understands that LRG will take disciplinary action, including discharge, for any violation of law, the Code of Business Ethics, the principles of the business ethics program, or basic tenets of business honesty and integrity, or failure to take reasonable steps to prevent or detect improper conduct. The certificate used to fulfill this requirement is included in the Compliance Plan for LRG Corporation, a copy of which is attached as Exhibit 1. LRG will submit, as a part of each report to the Air Force pursuant to Article 8, affirmation by the CEO that the certifications required by this Article are being maintained and that each then-current employee has provided a

certification as required by this provision. The certificates shall be maintained and available for the Air Force's review and inspection during the life of this Agreement.

**7. CHIEF EXECUTIVE OFFICER RESPONSIBLE.** The CEO of LRG shall be responsible for ensuring that the company establishes and maintains a business ethics program, that the Code of Business Ethics is maintained and updated as necessary, and providing for periodic audit of LRG's business practices, procedures, policies, and internal controls to ensure compliance with this Agreement, as provided hereunder. LRG's Compliance Officer shall report to the CEO in person and in writing not less than quarterly concerning LRG's Code of Business Ethics program and compliance with this Agreement. The CEO shall take whatever actions are appropriate and necessary to ensure that LRG conducts its activities in compliance with the requirements of the law and sound business ethics. LRG shall provide to the Air Force copies of such written reports in accordance with Article 8.

**8. REPORTS.** At the end of the first complete calendar quarter following the execution of this Agreement, and each quarter thereafter (each respectively, "the reporting period"), the CEO of LRG shall submit a written report to the Air Force describing the measures taken by LRG during the reporting period to implement the business ethics program and to ensure compliance with this Agreement. The reports shall be submitted in time to be received at the Air Force within 20 days of the end of the reporting period. Notwithstanding such requirements, the final report shall be submitted not later than one month prior to the final day of this Agreement. LRG's failure to meet these requirements on or before the dates agreed to shall constitute a breach of this Agreement. The reports shall include:

- a. Standards of conduct/ethics/compliance training conducted, subject matter covered, and the number and employment rank or status of persons who attended.
- b. Informal notifications or initiatives relating to the business ethics program.
- c. Information otherwise required by this Agreement..
- d. The initiation of and status of any ongoing investigation of, or legal proceedings involving LRG, including times, places, and subject matter of search warrants, subpoenas, criminal charges, criminal or civil agreements, etc.
- e. A statement by the CEO verifying that the register referenced in Article 3.b. is being maintained and that each employee has signed the register as required by this provision.
- f. A report identifying all calls made to or reports received by the company reporting alleged misconduct (regardless of subject matter), and any instances of suspected misconduct otherwise brought to the attention of management during the preceding quarter. Such reports shall summarize the alleged facts of each matter, stating the date and source (generically identified only as employee, consultant, outsider, etc.), medium of the report, the date and nature of the reported conduct, type and results of any internal investigation, corrective and/or

disciplinary action and date of feedback to the source of the information. Matters pending resolution at the time of a reporting period shall be reported each quarter until final resolution of the matter is reported. If the company has received no reports, LRG shall report that fact. For purposes of this Article 8f, LRG may summarize the matters reported. The complete LRG files on each case, however, shall be made available to the Air Force upon request.

g. A statement of any problems or weaknesses identified in compliance audits, corrective actions proposed or initiated, and the status of any corrective action.

**9. MANAGEMENT.** The principal members of LRG's management on the date of execution of this Agreement by LRG are Lewis R. Gainfort, CEO; Deneen Marsolo, Administrative Director; Bruce Hartner, Quality Assurance Manager; and Geary Walker, Compliance Officer. LRG agrees to notify the Air Force within one week if any of these principals leaves his or her current position and to provide the name of the successor to the Air Force upon appointment.

**10. LEGAL PROCEEDINGS.** LRG represents to the Air Force that, to the best of LRG's knowledge, LRG is not now under criminal or civil investigation by any Governmental entity. In addition to the periodic written reports required under Article 8, LRG shall notify the Air Force within two working days of the time LRG learns of (a) the initiation of any criminal or civil investigation by any federal, state, or local government entity involving allegations of Foreign Corrupt Practices Act, false statements, false claims, corruption, conflict of interest or anti-trust violations, if LRG has reason to believe that it is a target or subject of such investigation; (b) service of subpoenas by any such governmental entity, if LRG has reason to believe that it is a subject or target of the investigation; (c) service of search warrants and/or searches carried out in any LRG facility; (d) initiation of legal action against LRG, or any of its affiliates, employees, or agents by any entity alleging violations of the Foreign Corrupt Practices Act, false statements, false claims, corruption, conflict of interest, or anti-trust violations; or (e) criminal charges brought by any governmental entity against LRG or any of its affiliates, employees, or agents, relating to the business of LRG. LRG shall provide to the Air Force as much information as necessary to allow the Air Force to determine the impact of the investigative or legal activity upon the present responsibility of LRG for Government contracting. LRG shall cooperate fully with any Government agencies responsible for audits, investigations, or corrective actions.

**11. MEETING.** Between five and seven months after the effective date of this Agreement, and again no later than four months prior to the termination of this Agreement, the CEO of LRG shall meet with the Air Force Deputy General Counsel for Contractor Responsibility or a designee to discuss implementation and compliance of this Agreement, and the status of the business ethics program.

**12. BUSINESS ETHICS PROGRAM REVIEW.** LRG represents that it has engaged an independent party that is acceptable to the Air Force to perform a review of LRG's business ethics program. LRG shall require the independent party to prepare a report for LRG evaluating LRG's business ethics program and recommending any changes that seem appropriate. LRG shall direct the independent party to issue the report to LRG and to the Air Force without first discussing its proposed conclusions with LRG. LRG shall provide LRG's action plan for

implementing any recommended changes to the Air Force within one month following LRG's receipt of the report. This process shall be completed promptly so that LRG's action plan is furnished to the Air Force not later than three months after the effective date of this Agreement. LRG shall cause a second such review of LRG's business ethics program to be conducted and a report to be prepared and submitted to the Air Force not later than 30 months after the effective date of this Agreement. The parties acknowledge and agree that Kenneth Joel Haber may serve as the independent party for purposes of the review authorized under this Article.

**13. SELF-GOVERNANCE PROGRAM AUDIT.** At least once each calendar year, LRG shall conduct an internal audit of LRG's business practices, procedures, policies, and internal controls for compliance with this Agreement, the Code of Business Ethics, and the special requirements of Government contracting, with appropriate steps to design, implement, or modify the business ethics program as necessary to enhance the effectiveness of the program. The results of the audits (which will be done independently of its Compliance Officer) shall be furnished to the Air Force with the reports submitted pursuant to Article 8.

**14. LIST OF AUDIT REPORTS.** In addition to audit reports elsewhere required by this Agreement, LRG agrees to provide the Air Force with a list of all internal and external audit reports, regardless of source, otherwise relating to LRG and either generated by or received by LRG during the reporting period covered by the current Article 8 report. LRG shall include in the list reports generated as a result of customer or Government surveys of LRG.

**15. REPORTS OF MISCONDUCT.** In addition to the routine reports of misconduct required by Article 8.d, and any disclosure to the agency Office of the Inspector General and the contracting officer required by FAR 52.203-13, LRG shall report to the Air Force, within 15 days of discovery by management, any suspected misconduct that management has reasonable grounds to believe may constitute a violation of criminal or civil law. The misconduct to be reported pursuant to this Article includes misconduct by any person, including, but not limited to, LRG, LRG's subcontractors, suppliers, and employees, as defined herein, and Government employees, when related to the conduct of LRG's businesses, and shall include misconduct disclosed to LRG from any source relating to LRG's business. LRG will investigate all reports of such misconduct that come to its attention and will notify the Air Force of the outcome of such investigations and any potential or actual impact on any aspect of LRG's Government business. LRG will take corrective action, including prompt restitution of any harm to the Government. LRG will include summary reports of the status of each such investigation to the Air Force in the reports submitted pursuant to Article 8 until each matter is finally resolved.

**16. LETTERS TO SUPPLIERS AND SUBCONTRACTORS.** LRG will distribute to every supplier and subcontractor to LRG a letter from its CEO (1) emphasizing LRG's commitment to procurement integrity, (2) asking suppliers and subcontractors not to offer or give anything of value to LRG's employees, (3) stating that LRG employees are not allowed to give to or receive from LRG's suppliers anything of value, and (4) asking suppliers and subcontractors to report to LRG's compliance officer any improper or illegal activity by LRG employees. A copy of the letter is attached as Exhibit 5. A similar letter will be sent to all LRG suppliers and subcontractors each year in the month of November. A copy of each year's letter shall be furnished to the Air Force pursuant to Article 8.

**17. EMPLOYMENT OF SUSPENDED OR DEBARRED INDIVIDUALS.** LRG shall not knowingly employ, with or without pay, an individual who is under indictment, convicted, or listed by a Federal Agency as debarred, suspended, or otherwise ineligible for Federal programs. In order to carry out the policy, LRG shall make reasonable inquiry into the status of any potential employee or consultant. Such reasonable inquiry shall include, at a minimum, review of the General Services Administration's ("GSA") List of Parties Excluded from Federal Procurement and Nonprocurement Programs as maintained by GSA on the internet. LRG's policy does not require LRG to terminate the employment of individuals who are indicted or become suspended or are proposed for debarment during their employment with LRG. LRG, however, will remove such employees from responsibility for or involvement with LRG's business affairs until the resolution of such suspension or proposed debarment. In addition, if any employee of LRG is charged with a criminal offense relating to business honesty and integrity, LRG will remove that employee immediately from responsibility for or involvement with LRG's business affairs. If the employee is convicted or debarred, LRG policy requires that the employee will be terminated from employment with LRG. LRG shall notify the Air Force of each such personnel action taken, and the reasons therefore, within 15 days of the action.

**18. BUSINESS RELATIONSHIPS WITH SUSPENDED OR DEBARRED ENTITIES.** LRG will develop and maintain a written internal operating policy that LRG shall not knowingly form a contract with, purchase from, or enter into any business relationship with any individual or business entity that is listed by a Federal Agency as debarred, suspended, or proposed for debarment. To effectuate this policy, LRG shall make reasonable inquiry into the status of any potential business partner, to include, at a minimum, review of the GSA's List of Parties Excluded from Federal Procurement or Nonprocurement Programs including the version of this list maintained by GSA on the internet. Notwithstanding any other provision of this Article, LRG may enter into a business relationship with a suspended or debarred contractor, if the CEO first determines in writing that a compelling reason justifies the action and furnishes to the Air Force Deputy General Counsel for Contractor Responsibility a copy of the determination not less than 10 days prior to LRG entering into such a business relationship. LRG shall not enter into a business relationship with a suspended or debarred entity if the Air Force objects. In addition to the provisions of this Article, LRG shall comply with the requirements of FAR 9.405-2(b) and provide to the Air Force Deputy General Counsel for Contractor Responsibility a copy of the documents submitted to the contracting officer pursuant thereto.

**19. PROPOSED CHANGES.** LRG shall notify the Air Force of any proposed changes in the directives, instructions, or procedures implemented in furtherance of LRG's business ethics program and compliance with this Agreement. The Air Force, or its authorized representative, retains the right to verify, approve, or disapprove any such changes. No such changes shall be implemented without the prior approval of the Air Force.

**20. ACCESS TO RECORDS AND INFORMATION.** In addition to any other right the Air Force may have by statute, regulation, or contract, the Air Force or its duly authorized representative may examine LRG's books, records, and other company documents and supporting materials for the purpose of verifying and evaluating: (a) LRG's compliance with the terms of this Agreement; (b) LRG's business conduct in its dealings with all of its customers,

including the Government; (c) LRG's compliance with Federal laws, regulations, and procurement policies and with accepted business practices; and (d) LRG's compliance with the requirements of Government contracts or subcontracts. The materials described above shall be made available by LRG at all reasonable times for inspection, audit, or reproduction. Further, for purposes of this provision, the Air Force or its authorized representative may interview any LRG employee at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed between the employee and the Air Force. Employees will be interviewed without a representative of LRG being present. The employee may be represented personally by his own counsel if requested by the employee.

**21. COSTS OF REVIEW.** LRG has paid to the Air Force \$1000 to cover the Air Force's costs of independently reviewing this matter and administering this Agreement.

**22. UNALLOWABLE COSTS.**

a. LRG agrees that all costs, as defined in FAR 31.205-47, incurred by, for, or on behalf of LRG or any LRG current or former officer, director, agent, employee, consultant, or affiliate shall be considered to be expressly unallowable costs, in accordance with the requirements of FAR 31.201-6, for Government contract accounting purposes. Unallowable costs include, but are not limited to, costs arising from, related to, or in connection with (a) the matters at issue here, (b) the Government's criminal and civil investigations regarding the matters at issue here, and (c) the Air Force's independent review of LRG's present responsibility, including the costs of the company's submissions, presentations, and appearances before the office of the Air Force Deputy General Counsel for Contractor Responsibility. LRG's costs of performing and administering the terms of this Agreement and any fines or penalties levied or to be levied in or arising out of the matter at issue here are agreed to be expressly unallowable costs. Also unallowable are LRG's costs of bringing LRG's self governance, compliance, and/or ethics programs to a level acceptable to the Air Force. LRG agrees to account separately for such costs. LRG's present and future costs of maintaining, operating, and improving LRG's corporate self governance/compliance/ethics programs are allowable costs for purposes of this Agreement.

b. LRG recognizes that in order to comply with the terms of this Article, certain costs may need to be reclassified. As and when required, LRG shall proceed immediately to identify and reclassify such costs and, within 90 days of the effective date of this Agreement, LRG shall adjust any bid rate, billing rate, or unsettled final indirect cost rate pools to eliminate any costs made unallowable by this Agreement, and shall advise the Air Force, the cognizant administrative contracting officer, and the cognizant Government auditor of the amount and nature of the reclassified costs within 120 days of the date of this Agreement. The Air Force or a designated representative shall have the right to audit LRG's books and records to verify compliance with this Article. Such audit rights shall be in addition to any audit rights the Government may have under the terms of any contract with LRG.

**23. ADVERSE ACTIONS.** LRG avers that adverse actions taken, or to be taken, by LRG against any employee or other individual associated with LRG arising out of or related to the



wrongdoing at issue here were solely the result of LRG's initiatives and decisions and were not the result of any action by, or on behalf of, agents or employees of the United States.

**24. NO SUSPENSION OR DEBARMENT.** Provided that the terms and conditions of this Agreement are faithfully fulfilled, the Air Force will not suspend or debar LRG based on the facts and circumstances set forth in the Preamble herein. The Air Force's decision not to suspend or debar LRG upon the facts at issue here shall not restrict the Air Force or any other agency of the Government from instituting administrative actions, including, without limitation, suspension or debarment should other information indicating the propriety of such action come to the attention of the Air Force or such other agency, or additional information concerning the facts at issue here is discovered by the Government, which facts were not disclosed by LRG or by the exercise of reasonable diligence could not have been discovered by the Government as of the date of this Agreement.

**25. PRESENT RESPONSIBILITY.** LRG's compliance with the terms and conditions of this Agreement shall constitute an element of LRG's present responsibility for Government contracting. LRG's failure to meet any of its obligations pursuant to the terms and conditions of this Agreement constitutes a separate cause for suspension and/or debarment of the Respondents. By entering into this Agreement, the Air Force is not determining that LRG is presently responsible for any specific Government contract.

**26. NOTIFY EMPLOYEES.** LRG will notify all LRG employees of the fact and substance of this Agreement, the nature of the wrongdoing leading to this Agreement, and the importance of each employee's abiding by the terms of this Agreement and all requirements of law, regulations, and LRG policies and procedures.

**27. SALE OF LRG BUSINESSES.** In the event that LRG sells or in any way transfers ownership of any part of its business, LRG shall notify the Air Force in advance and shall require by the terms of the transfer that the new owner, in addition to LRG, shall be bound by the terms and conditions of this Agreement, including, but not limited to, all reporting requirements.

**28. LRG PURCHASE OF BUSINESSES.** In the event that LRG purchases or establishes new business units after the effective date of this Agreement, LRG shall incorporate all provisions of this Agreement into the new business(s), including any training or education requirements, within 60 days following such purchase or establishment.

**29. WAIVER.** LRG hereby waives all claims, demands, or requests for monies of any kind or of whatever nature that LRG may have or may develop in the future arising from, related to, or in connection with, any investigation, or as a result of administrative or judicial proceedings, or request for any other relief in law or in equity, or in any other forum be it judicial or administrative in nature arising out of or relating to the facts that gave rise to the suspension and/or proposed debarment.

**30. RELEASE.** LRG hereby releases the United States, its instrumentalities, agents, and employees in their official and personal capacities, of any and all liability or claims arising out of

or related to the investigation, proposed debarment, or debarment of LRG or the discussions leading to this Agreement.

31. **ARTICLE HEADINGS.** The Article headings in this Agreement are inserted for convenient reference only and shall not affect the meaning or interpretation of this Agreement.

32. **COUNTERPARTS.** This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which taken together, shall constitute one and the same agreement.

33. **AIR FORCE RELIANCE.** LRG represents that all written materials and other information supplied to the Air Force by its authorized representative during the course of discussions with the Air Force preceding this Agreement are true and accurate, to the best information and belief of the LRG signatories to this Agreement. LRG also represents that it has provided to the Air Force all information in its possession relating to the facts at issue. LRG understands that this Agreement is executed on behalf of the Air Force in reliance upon the truth, accuracy, and completeness of all such representations.

34. **ENTIRE AGREEMENT.** This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, relating to the subject matter hereof. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns.

35. **RESTRICTION ON USE.** LRG shall not use any term of this Agreement or the fact of the existence of this Agreement for any purpose related to the defense or litigation of, or in mitigation of any criminal, civil, or administrative investigation or proceeding.

36. **BANKRUPTCY.** Bankruptcy proceedings shall not affect the enforcement of this Agreement in the interests of the Government.

37. **AUTHORIZED REPRESENTATIVE.** Lewis R. Gainfort, CEO of LRG, is fully authorized to execute this Agreement and represents that he has authority to bind LRG.

38. **SEVERABILITY.** In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect other provisions of this Agreement.

39. **NOTICES.** Any notices, reports, or information required hereunder shall be in writing and delivered or mailed by registered or certified mail, postage prepaid as follows:

If to LRG, to:

Lewis R. Gainfort  
LRG Corporation  
210 Magee Avenue  
Jeannette, PA 15644

If to the Air Force, to:  
Deputy General Counsel for  
Contractor Responsibility (SAF/GCR)  
Department of the Air Force  
4040 N. Fairfax Drive  
Suite 204  
Arlington, VA 22203-1613

or such other address as either party shall have designated by notice in writing to the other party.

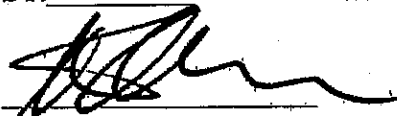
**40. PUBLIC DOCUMENT.** This Agreement, including all attachments and reports submitted pursuant to this Agreement, is a public document and may be distributed by the Air Force throughout the Government as appropriate and to other interested persons upon request.

**41. MODIFICATION.** This Agreement may be amended or modified only by a written document signed by both parties:

DEPARTMENT OF THE AIR FORCE

BY: \_\_\_\_\_

DATE 10/20/09



LRG Corporation

BY: C.E.O.

DATE 10/15/09

